

Retiree

NEWS Winter 2006

Indiana Public Employees' Retirement Fund

PERF INTERACTIVE ON THE WEB

Retirement can be an active time. You may be traveling more, spending your winters in warm places, or even moving permanently. Changing your address does not have to mean a blizzard of paperwork. Take advantage of PERF's new service on the web to make that task easier!

PERF members, including retirees, can use the new *PERF Interactive* online to change their addresses and change any beneficiaries' addresses. Remember, as a retiree, you cannot change who your survivor beneficiary is. If you left any Annuity Savings Account (ASA) funds invested with PERF when you retired, you can also change your investment choices and view your statement online.

To use *PERF Interactive*, simply go to www.perf.in.gov from any computer. (Your library is a good option if you don't have internet service at home.) Click on the *PERF Interactive* button and sign up for your personal identification number (PIN). For security, the PIN will be mailed to you at the address currently on file at PERF.

When you receive your unique PIN, you will be able to use it with the password you chose when registering to have access to your information. The website is secure, so you can be sure your information is safe. Changes to your address will take place immediately so you can be on the road with certainty that your PERF payments will follow.



RIPEA

Retired Indiana Public Employees Association

RIPEA provides insurance options, including group health, group life, dental, hearing, and long-term care for active and retired members of PERF. For more information, contact RIPEA toll-free at 1-800-345-9214 (hearing impaired members call 1-800-759-1089). Visit them online at www.ripea.org.

2005 COLA Increase

The Indiana Legislature in 2005 approved a Cost of Living (COLA) increase in the monthly pension benefit for members (or their survivors) who were retired or disabled before Jan. 1, 2005. The actual increase you, or your beneficiaries, will receive depends on the effective date of when you retired or began a disability retirement. Please be sure to use your retirement or disability effective date, not your employment termination date, to determine your COLA increase:

- Effective retirement date of July 1, 1990 or before: 2%
- Effective retirement date between Aug. 1, 1990 and Dec. 1, 2004 = 1.5%

The COLA does not apply to any lump sum distributions. The increased amount does apply, however, to all pension payments from January forward.

ADVANTAGES OF DIRECT DEPOSIT

Your monthly benefit will be transferred into your bank account automatically on the 15th of each month, meaning you don't have to worry about a lost or stolen check. You can start (or end) direct deposit at any time. You will receive an annual statement showing the deposits PERF has made to your account.



HOW TO CHOOSE DIRECT DEPOSIT

You can find the direct deposit form on our website (www.perf.in.gov) or call us at 1-888-526-1687. Fill it out, don't forget to sign it, and send it to PERF by mail or fax. If you are changing the bank account to which your payments are directly deposited, please make sure you leave the old account open until the first direct deposit to the new account has occurred.

RE-EMPLOYMENT FOR RETIRED MEMBERS

You always have the option of working after you retire. Will your retirement check get smaller because you are earning money in a job? It depends. The chart below illustrates the effects of your earnings on your benefits per year if you return to work after retirement.

Type of Re-Employment	Age of Member	Maximum Earnings Before Limitation
Not covered by PERF	Any age	No limit on earnings
Covered by PERF	Normal Social Security Retirement age or older	No limit on earnings
Covered by PERF	Less than normal Social Security retirement age	\$35,000 or more gross wages in a year*

*Limit raised from \$25,000 in 2004.

If you are in the last category, when you reach the earnings limit in any year, your PERF retirement benefit will be suspended. You will begin receiving checks again in January of the following year, and will get those checks monthly until your total earnings (excluding your PERF benefits) reach \$35,000. The earnings limitation applies each year until you reach normal Social Security retirement age.

Revocable Trust Option for Direct Deposit

Retirees can now have their direct deposits directed to a Revocable Trust. You can make this decision any time, and can change it later if you wish. To make direct deposits into a trust account, simply:

- Get the new “Benefit Payments to a Revocable Trust” form from the PERF website, by calling PERF, or by asking your bank to print it from the website for you.
- Fill out the trust information required, sign the form, have it notarized and send it to PERF.

CAUTION: If you are closing the old account, wait until you receive a statement showing your PERF benefits have been deposited into your new account before doing so.

Form 1099-R Reports Your PERF Payments

If you have received any funds (either as a check or a direct deposit) from PERF in 2005, PERF will mail one or more copies of Internal Revenue Service Form 1099-R by January 31, 2006, to the address in your member records. The 1099-R form shows how much was paid to a retiree by PERF and from what source. If you received more than one type of distribution in the past year, PERF is required by federal law to send a separate 1099-R for each source, much like you would receive a W-2 from each source if you had more than one employer during the year. An example of why you might receive more than one 1099-R is if you received payments for part of the year from a disability retirement and for part of the year from a regular retirement starting at age 59 1/2. **No matter how many 1099-R forms you receive, just be sure to include them all when filing your tax return.**

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PAY ATTENTION TO PERF!



HOW TO CHANGE YOUR NAME OR ADDRESS:

1. Visit www.perf.in.gov and use the PERF Interactive tool to change your personal information, or
2. Get a copy of the appropriate form online at www.perf.in.gov under “Member Forms”, or by calling 1-888-526-1687 to request the form from a PERF Customer Service Representative. Complete the form AND sign it. Send it to PERF by fax or mail.

Only you can change this information, and your signature must accompany any request for changes.

Retiree NEWS

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